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DIVISION OF CONSUMER ADVOCACY
Department of Commerce and
Consumer Affairs
335 Merchant Street, Room 326
Honolulu, Hawaii 96813
Telephone: (808) 586-2800

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF HAWAII

PUBLIC UTILITIES
COMMISSION

2007 JAN 10 P 3:33

FILED

In the Matter of the Application of)
)
)
HAWAII ELECTRIC LIGHT COMPANY, INC.)
)
)
Approval of Rate Increase and Revised)
Rate Schedules and Rules.)

DOCKET NO. 05-0315

DIVISION OF CONSUMER ADVOCACY'S
SUBMISSION OF INFORMATION REQUESTS TO
HELCO - ACT 162 SUPPLEMENTAL TESTIMONIES AND CONSULTANT REPORT

Pursuant to the Proposed Revised Procedural Schedule adopted in Order No. 23153, the Division of Consumer Advocacy submits its **INFORMATION REQUESTS TO HELCO - ACT 162 SUPPLEMENTAL TESTIMONIES AND CONSULTANT REPORT** in the above docketed matter. In addition, based on an informal agreement among the parties, the following three submissions of Information Requests were informally filed with the Applicant on the following dates:

- | | | |
|----|--|-------------------|
| 1. | Seventh Submission | November 20, 2006 |
| 2. | First Submission of
Supplemental Information Requests | December 13, 2006 |

3. Second Submission of
Supplemental Information Requests

December 22, 2006

A copy of the above submissions is provided for the Commission's records.

DATED: Honolulu, Hawaii, January 10, 2007.

Respectfully submitted,

By *Cheryl S. Kikuta*
CHERYL S. KIKUTA
Utilities Administrator
DIVISION OF CONSUMER ADVOCACY

DOCKET NO. 05-0315

HAWAII ELECTRIC LIGHT COMPANY, INC.

**SUBMISSION OF INFORMATION REQUESTS TO
HELCO – ACT 162 SUPPLEMENTAL TESTIMONIES AND CONSULTANT REPORT**

INSTRUCTIONS

In order to expedite and facilitate the Consumer Advocate's review and analysis in the above matter, the following is requested:

1. For each response, the Company should identify the person who is responsible for preparing the response as well as the witness who will be responsible for sponsoring the response should there be an evidentiary hearing;
2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
4. Should the Company claim that any information is not discoverable for any reason:

- a. State all claimed privileges and objections to disclosure;
- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

DOCKET NO. 05-0315

HAWAIIAN ELECTRIC LIGHT COMPANY, INC.

**SUBMISSION OF INFORMATION REQUESTS TO
HELCO - ACT 162 SUPPLEMENTAL TESTIMONIES AND CONSULTANT REPORT**

CA-IR-1

Ref: HELCO ST-23, page 14, lines 10 through 18.

Mr. Makholm mentions state commissions in Florida, Louisiana and North Carolina as examples of jurisdictions that have established specific incentives for power plant performance. Please provide a copy of the materials that Mr. Makholm reviewed describing the incentives for power plant performance in each of these states.

CA-IR-2

Ref: HELCO ST-23, page 15, lines 20 through 23.

Please explain how changes in purchase power costs should be passed through the ECAC. In particular, HELCO incurs capacity or demand charges in its purchase power agreement with PGV (Performance Agreement with Puna Geothermal Venture (approved in Docket No. 96-0042)). However, if PGV cannot deliver the contracted capacity amount in the agreement, a capacity sanction is imposed which results in a decrease to the capacity payment.

- a. Should this adjustment to the capacity payment be passed through the ECAC?
- b. If the answer to part a. is no, please explain why it should not be passed through.

CA-IR-3

Ref: HELCO ST-23, page 17, lines 21 and 22.

Does the HELCO ECAC treat all sources of generation equally and allow recovery of energy costs from all sources? Please explain your answer.

CA-IR-4

Ref: HELCO ST-23, page 17, lines 15 through 19.

- a. Please explain why the following statement is true "...but any rising costs also provided the utility with a greater incentive to use other, less expensive fuels to generate electricity."
- b. If fuel costs are passed through to the consumer and the utility is no longer at risks for fuel costs, why would the utility have an incentive to use less expensive fuels?



DOCKET NO. 05-0315

HAWAII ELECTRIC LIGHT COMPANY, INC.

SEVENTH SUBMISSION OF INFORMATION REQUESTS

INSTRUCTIONS

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2. Unless otherwise specifically requested, for applicable schedules or workpapers, the Company should provide hard copies of each schedule or workpaper together with one copy of each such schedule or workpaper on electronic media in a mutually agreeable format (e.g., Excel and Quattro Pro, to name two examples); and
3. When an information request makes reference to specific documentation used by the Company to support its response, it is not intended that the response be limited to just the specific document referenced in the request. The response should include any non-privileged memoranda, internal or external studies, assumptions, Company instructions, or any other relevant authoritative source which the Company used.
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- b. State all facts and reasons supporting each claimed privilege and objection;
- c. State under what conditions the Company is willing to permit disclosure to the Consumer Advocate (e.g., protective agreement, review at business offices, etc.); and
- d. If the Company claims that a written document or electronic file is not discoverable, besides complying with subparagraphs 4(a-c), identify each document or electronic file, or portions thereof, that the Company claims are privileged or will not be disclosed, including the title or subject matter, the date, the author(s) and the addressee(s).

DOCKET NO. 05-0315

HAWAII ELECTRIC LIGHT COMPANY, INC.

SEVENTH SUBMISSION OF INFORMATION REQUESTS

CA-IR-511

**Ref: HELCO-106 and Responses to CA-IR-238 and CA-IR-330,
Firm Capacity Surcharge Tariff.**

The Firm Capacity Surcharge is said to be "retained in HELCO's proposed tariff to accommodate changes in purchased power payments for firm capacity to Puna Geothermal Venture and to any other future firm capacity independent power producer that occur between HELCO general rate cases." Please respond to the following:

- a. Explain whether and why HELCO has not used this tariff historically to flow to customers reduced capacity charge changes payments made to PGV associated with PPA performance penalties (See CA-IR-330).
- b. State the amount of PGV capacity charge expense that was included in determination of the Company's revenue requirement in its last rate case.
- c. Explain all reasons why payments to "future firm capacity independent power producer" should be tracked into customer surcharges between rate cases.
- d. State whether HELCO believes that new revenues and margins earned as a result of load growth between rate

cases may provide incremental financial resources from which the Company could "pay for" certain amounts of future payments for added firm capacity, without the need for Firm Capacity Surcharge tariff increases to recover such payments.

- e. Provide complete copies of all reports, calculations, projections, studies and other documents associated with or supportive of your response to part (d) of this information request.

Witness T-6 Mr. Jay Ignacio.

CA-IR-512

Ref: HELCO-619 & Response to CA-IR-264 (T&D Contract Labor).

Although CA-IR-264 requested historical contract services information for Distribution, the Company provided detail for all account blocks for expense elements 501-508 for the period 2000-2005. Please provide contract service amounts included in the Company's 2006 test year forecast in a format comparable to the response to CA-IR-264.

CA-IR-513

Ref: HELCO-611 & Response to CA-IR-93 (T&D Staffing).

CA-IR-93(d) inquired about the impact of employee retirements on the determination of Distribution staffing levels for the 2006 test year forecast. In response, HELCO indicated, in part, that the test

year forecast incorporates replacing employees as they retire, not to accommodate retirements in future years. Confidential attachment pages 8 and 9 represent anticipated retirements, with page 9 showing higher retirements for 2006 than appearing on page 8. Please provide the following:

- a. Does HELCO's 2006 test year forecast recognize lower headcounts or replacement hires for the anticipated retirements set forth on page 9? Please explain.
- b. Referring to part (a) above, please identify those employee positions that the 2006 forecast assumed would not retire in 2006.
- c. Please identify the actual Distribution retirements that have taken place in 2006 by month, noting the division and position.
- d. Referring to part (c) above, please indicate whether each identified retirement has been filled by a new hire or promotion/transfer within the Company, identifying the division/position of any employee transferred or promoted.

Witness T-9 Mr. Paul Fujioka.

CA-IR-514

Ref: HELCO-923 & Response to CA-IR-496 (Abandoned Capital Projects).

In response to CA-IR-496(a), the Company indicated, in part:

"While it is likely that the majority of costs written off due to an

abandoned project will be direct labor and related overhead costs, the costs will not necessarily be primarily labor and overhead costs...Abandoned project cost amounts do include the cost of materials purchased for the project which cannot be used elsewhere." Please provide the following:

- a. Referring to HELCO-923, page 1, can HELCO provide the amount of material costs included in the abandoned capital project amounts? Please explain.
- b. If the response to part (a) above is affirmative, please provide information in a format comparable to HELCO-923 that reflects material costs that cannot be used elsewhere.
- c. If the response part (a) above is negative, please provide HELCO's best estimate of the percentage of total abandoned project costs that reasonably represents materials that cannot be used elsewhere.

Witness T-14 Mr. Clyde Nagata.

CA-IR-515

Ref: HELCO-WP-1401 & Response to CA-IR-497 (Plant Additions).

CA-IR-497 referred to estimated O&M cost savings expected to result from Project H0000520, Hill Plant Demineralizer. In response to a question regarding test year mismatch in CA-IR-497(b), the company stated that the project will have a 'break in' period before HELCO starts to see the expected

O&M savings" and indicated that HELCO intended "to make use of the new water system once it is fully operational." Please provide the following:

- a. Please describe the "break in" period, including but not necessarily limited to, the following: (1) the required steps to break in the demineralizer; (2) the operational limitations during the break in period as compared to full operation; and (3) the expected length of the break in period.
- b. Please provide the expected time span between completion of the demineralizer and full operation of the new water system.
- c. Please identify and describe the primary factors HELCO will apply to determine when the demineralizer becomes fully operational.

CA-IR-516

Ref: HELCO-WP-1401 & Response to CA-IR-497 (Plant Additions).

CA-IR-497 referred to estimated O&M cost savings expected to result from Project H0000520, Hill Plant Demineralizer. The response to CA-IR-497(b) also indicates that the existing evaporator systems will be kept in standby and ready to operate until the new RO/EDI system is determined to meet Hill's makeup requirements, but will eventually be retired. Please provide the following:

- a. How long does HELCO estimate that the existing evaporator systems will be kept in standby?
- b. Please identify the specific criteria that the new system must meet in order to determine that it will meet Hill's makeup requirements.
- c. Please provide the Company's best estimate of the original cost of the existing evaporator system that will eventually be retired.
- d. Please confirm that the Company's 2006 forecast of plant retirements does not explicitly include the retirement of the original cost of the existing evaporator system. If this cannot be confirmed, please explain.

CA-IR-517

Ref: HELCO-WP-1401, Responses to CA-IR-375 (Plant Additions).

Regarding Project H1002000, Purchase Transformer and Related Equipment, the response to CA-IR-375(a)(2) generally describes the increase in the 2006 transformer purchase forecast from \$2,459,527 to \$4,012,139. Please provide the following:

- a. Does the forecasted increase in transformer purchases solely reflect increase installations in new locations or does it also represent replacements of existing transformers that have been or will be retired? Please explain.

- b. Please provide the actual cost of transformer purchases by month during 2006.
- c. Please provide the net original cost of actual transformer retirements recorded or to be recorded in 2006 by month.

CA-IR-518

Ref: HELCO-WP-1401 & Response to CA-IR-431 (Plant Additions).

CA-IR-431 refers to the PIA for Project H0001360, Kuakini Distr & Svcs. In response to CA-IR-431(b), HELCO indicates that the \$705,000 of "cash contribution" was the Company's best estimate of what the County's actual contribution would be, but the final amount has still not been determined. Please provide the following:

- a. Please confirm that HELCO-WP-1409 does not appear to identify any cash 2006 contribution from the County associated with this project. If this cannot be confirmed, please explain.
- b. Has HELCO actually billed the County for this contribution? Please explain.
- c. When does HELCO anticipate actually collecting the contribution from the County?
- d. Since the Company is proposing to include the cost of this project in rate base, does the Company believe that it would

be reasonable to also recognize the offsetting contribution in determining rate base? Please explain.

Witness T-15 Mr. Kenneth Fong.

CA-IR-519

Ref: HELCO Response to CA-IR-386 (Keahole CT-4/CT-5).

Referring to page 3 of the referenced response, HELCO generally refers to the monthly status reports that have been filed with the Commission since 1995 (D&O 14284, Docket No. 7623) for additional information on legal challenges. Please provide the following:

- a. Please confirm that virtually all of the monthly status reports are voluminous and that the accompanying cover letter does not typically identify the specific information contained in each monthly status report. If this cannot be confirmed, please explain.
- b. Does HELCO, or its outside contractors or law firms, possess an index or topical listing of the various documents, pleadings and legal actions filed with the Commission in the referenced monthly status reports?
 1. If so, please provide a copy of such index or topical listing.
 2. If not, please explain how HELCO, or its outside contractors or law firms, navigate the eleven years of

monthly status reports to identify and locate specific documents.

3. Referring to part (b)(2) above, please provide a copy of the identified information.

Witness T-4 Ms. Lisa Giang.

CA-IR-520

Ref: HELCO WP-404, page 31 of 112.

The referenced workpaper, "Load Summary" indicates 2006 energy (GWH) of 1,251.74. The sum of the energy from file HTY06_R2.eei Load Summary File is 1,251,409 (MWh) which is the same as Total Energy shown on HELCO-WP-404, page 6 of 112 (1,251.41 GWh).

- a. Please explain why HELCO WP-404, Page 31, 2006 Energy (GWH) is greater than the sum of energy in the HTY06_R2.eei, Load Summary File.
- b. Which number is the correct energy to be used in dispatch modeling?

CA-IR-521

Ref: HELCO WP-404, page 34 of 112 and page 97 of 112.

Page 34 indicates heat rate constants of 56.5819, 8.6263, and 0.0107 for HEP when operated in single train combustion turbine mode. Page 97 indicates heat rate constants of 77.58177, 6.4203 and 0.0567 for the same unit and operating mode. Historical information in response to CA-IR-38 is consistent with page 34.

- a. Please explain which set of heat rate constants was used to model HEP in single train-CT mode in the P-Month Simulation Model.
- b. Please explain why different constants were used in HELCO WP-404 pages 34 and 97.

CA-IR-522

Ref: HELCO-WP-404, page 96 of 112, HELCO Commitment/Dispatch Penalty Factors.

- a. Please explain how the Commitment Factors and Penalty Factors in this workpaper were derived. Please provide documentation and calculations that support your response.
- b. Please explain how the P-MONTH power system production simulation program uses Commitment and Penalty Factors to modify generation from each generating unit. Please provide the formulas used by the P-MONTH program to incorporate the Commitment and Penalty Factors in the dispatch calculations.

CA-IR-523

Ref: HELCO T-4, page 23 and 24.

HELCO T-4 states "Because of the potential for overloads on certain transmission lines in the northwestern area of the island. . . Keahole unit CT-4 (or CT-5) must be operated for more hours, at higher output levels, and generate more energy than it otherwise

would under economic commitment and economic dispatch in order to mitigate the potential for line overloads."

- a. Were there other alternatives considered to running Keahole CT-4 and CT-5 to mitigate transmission constraints such as installation of capacitors, etc.? If so, please provide studies showing alternatives considered.

CA-IR-524

Ref: HELCO T-4, page 30.

HELCO T-4 states "The production simulation used 10 MW of regulating reserve."

- a. Please explain the basis for using 10 MW for regulating reserve in more detail than was provided in HELCO T-5.
- b. How is the regulating reserve modeled in the P-Month Simulation? Please provide calculations and equations used by the P-Month Simulation Model to support your answer.

CA-IR-525

Ref: CA-IR-34, HELCO T-5, page 25.

The response to CA-IR-34 question 7 indicates that "Keahole CT-4 or CT-5 is modeled as a must-run unit from 6:00 am to 9:00 pm." The response indicates that Keahole CT-4 or CT-5 are available for "input into the model to be 24 hours a day." In HELCO T-5, Dan Giovanni states that the operating hours of the Keahole Generating

Station is "scheduled to operate from 6:00 am to 10:00 pm each day."

- a. If Keahole CT-4 or CT-5 is in the must run mode, does this mean the unit starts at 6:00 am and shuts down at 9:00 pm, seven days per week? Or, is it operated in some other manner? For instance, can it be started and stopped at different times?
- b. When Keahole CT-4 or CT-5 is modeled in economic dispatch mode, is the unit modeled to run in this mode only during 6:00 am to 9:00 pm?
- c. What are the operating hours of Keahole CT2, D21, D22 and D23?

CA-IR-526

Ref: CA-IR-34, HELCO T-4, pages 25 through 26.

The response to CA-IR-34 question 1 provided the pattern files (PTNn.hcp) for PGV, Keahole CT-4 (economic and must-run), Keahole CT-5 (economic and must-run), Shipman 3 and 4 and Keahole D21 through D23. A brief description of these pattern files was provided on Appendix A, page 42 of the P-Month Simulation Model manual.

- a. Please explain what the "Capacity multiplier" and "Variable O&M multiplier" in these pattern files are used for. Please

provide calculations and equations used by P-Month to support this explanation.

- b. In the pattern file PTN1.hcp for the on-peak hours of PGV and the pattern file PTN2.hcp for the off-peak hours of PGV, the fourth column representing the hour, as indicated in Appendix A only contains hours 1, 8 and 22. Was that all that was required to model the entire test year? Was there other information used to model the remaining hours of the year? Please explain.
- c. In the pattern file PTN3.hcp for the economic dispatch of Keahole CT-4 and the pattern file PTN5.hcp for the must-run dispatch of Keahole CT-4, the fourth column representing the hour, as indicated in Appendix A only contains hour 1 for January, February, part of June, part of July, October, November and December. For the remainder of the year, this column only contains the hours 1, 7 and 22. Was that all that was required to model the entire test year? Was there other information used to model the remaining hours of the year? Please explain.
- d. In the pattern file PTN4.hcp for the economic dispatch of Keahole CT-5 and the pattern file PTN6.hcp for the must-run dispatch of Keahole CT-5, the fourth column representing the hour, as indicated in Appendix A only contains hour 1 for

March, April, May, part of June, part of July, August and September. For the rest of the year, this column only contains the hours 1, 7 and 22. Was that all that was required to model the entire test year? Was there other information used to model the remaining hours of the year? Please explain.

- e. In the pattern file PTN7.hcp for Shipman 3 and 4, the fourth column representing the hour, as indicated in Appendix A only contains hours 1, 8 and 21. Please explain why these hours are the only ones listed.
- f. In the pattern file PTN15.hcp for Keahole D21 through D23, the fourth column representing the hour, as indicated in Appendix A only contains hours 1, 8 and 23. Was that all that was required to model the entire test year? Was there other information used to model the remaining hours of the year? Please explain.



DOCKET NO. 05-0315

HAWAII ELECTRIC LIGHT COMPANY, INC.

FIRST SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS

INSTRUCTIONS

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DOCKET NO. 05-0315

HAWAII ELECTRIC LIGHT COMPANY, INC.

FIRST SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS

CA-SIR-1

Ref: HELCO WP-404, page 54-93.

HELCO-WP-404 pages 54-93 include "Revised from HELCO Annual Calibration Factor Report for Year 2005 filed March 15, 2006" in their titles.

- a. Please explain what revisions were made to the "Calibration Factor Annual Report for Year 2005" dated March 15, 2006, to result in the analysis of HELCO-WP-404 pages 54-93.
- b. Please provide equations and calculations that support your explanation.

CA-SIR-2

Ref: HELCO-WP-403 page 3, CA-IR-39.

HELCO-WP-403 page 3, "Test Year 2006 Estimated Demand & Energy Losses" is referred to by CA-IR-39. The last sentence of the second bullet point on page 1 of the response to CA-IR-39 states that, "The sum of the energy losses at each load level is the total estimated annual energy losses." Pages 2 through 6 of the response to CA-IR-39 are a spreadsheet titled HELCO_loss calc data_2006.xls.

- a. The sum of all of the values in column "d" (labeled Dist/Sec) on pages 2 through 4 of the response to CA-IR-39

is 47032 MWh, or 47.0 GWh. On HELCO-WP-403 page 3, the sum of the distribution and secondary losses (9.4 GWh of Dist Tsf Losses, 7.2 GWh of Dist Losses, 21.7 GWh of Sec Tsf Losses, and 7.0 GWh of Sec Losses) is 45.3 GWh. Please explain why there is a difference between these numbers. Please identify which number is correct. Please provide the calculations that were used to determine the Distribution Transformer Losses, Distribution Losses, Secondary Transformer Losses, and Secondary Losses on HELCO-WP-403 page 3.

- b. The sum of all of the values in column "h" (labeled Trans) on pages 2 through 4 of the response to CA-IR-39 is 53037 MWh, or 53.0 GWh. On HELCO-WP-403 page 3, line C, the transmission losses are 52.9 GWh. Please explain why there is a difference between these numbers. Please identify which number is correct. Please provide the calculations that were used to determine the Transmission Losses on HELCO-WP-403 page 3.

CA-SIR-3

Ref: T-4 page 16 lines 8 through 13, T-4 pages 23 through 25.

Beginning on line 21 of T-4 page 23, L. K. K. Giang states,

Because of the potential for overloads on certain transmission lines in the northwestern area of the island if certain other lines are out of service (either planned or unplanned), Keahole unit CT-4 (or CT-5)

must be operated for more hours, at higher output levels, and generate more energy than it otherwise would under economic commitment and economic dispatch in order to mitigate the potential for line overloads.

Please provide all reports and power flow analyses that support the statement that Keahole CT-4 (or CT-5) must be operated for more hours, at higher output levels, and generating more energy than it otherwise would under economic dispatch, to mitigate line overloads or low voltage problems.



DOCKET NO. 05-0315

HAWAII ELECTRIC LIGHT COMPANY, INC.

SECOND SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS

INSTRUCTIONS

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HAWAII ELECTRIC LIGHT COMPANY, INC.

SECOND SUBMISSION OF SUPPLEMENTAL INFORMATION REQUESTS

CA-SIR-3

Ref: HELCO Response to CA-IR-392 (Updated Sales Levels).

Regarding the statement, "HELCO does not intend to replace forecasted sales data in the referenced exhibits with corresponding actual 2006 sales figures. Recorded annual customer counts and energy sales may not be appropriate for ratemaking purposes due to abnormal events and/or circumstances," please provide the following information.

- a. Actual numbers of customers served in each month of 2006, by rate schedule, through December 31, 2006, when available.
- b. Identify, describe and quantify each known "abnormal event and/or circumstance" that causes any of the monthly customer data provided in the response to part (a) of this information request to be "not appropriate for ratemaking purposes."
- c. If any affirmative response is provided to part (b) of the response to this information request, please provide a complete copy of all reports, analyses, workpapers, projections and other documents associated with each

- known "abnormal event and/or circumstance" for each rate schedule in each month.
- d. Actual kWh sales volumes in each month of 2006, by rate schedule, through December 31, 2006, when available.
 - e. Identify, describe and quantify each known "abnormal event and/or circumstance" that causes any of the monthly kWh sales data provided in the response to part (d) of this information request to be "not appropriate for ratemaking purposes."
 - f. If any affirmative response is provided to part (e) of the response to this information request, please provide a complete copy of all reports, analyses, workpapers, projections and other documents associated with each known "abnormal event and/or circumstance" for each rate schedule in each month.

CA-SIR-4

Ref: HELCO Response to CA-IR-391, pages 3 and 4 (Schedule P Sales Levels).

Please provide an update of the 2006 test year actual sales to each Schedule P customer through December 31, 2006. If such data includes any individually significant changes or abnormalities in sales volumes due to added or removed loads or unusual circumstances associated with specific customers, please explain and quantify each such change/abnormality.

CA-SIR-5

Ref: HELCO Test Year Projected Expenses.

Please provide actual 2006 test year actual O&M expenses by detailed NARUC Sub-Account for each month of the test year through December 31, 2006, when available.

CA-SIR-6

Ref: HELCO Test Year Direct Labor Expenses.

Please provide actual 2006 test year actual labor expenses by RA and expense element for each month of the test year through December 31, 2006, when available.

CA-SIR-7

Ref: HELCO Response to CA-IR-255 (Unit Overhaul Commitments and Actual Spending).

Please provide the following updated information through December 31, 2006, when available.

- a. Updated "Committed Amounts" for the data table on page 3 of the response, broken down by primary vendor in as much detail as readily available.
- b. Updated Attachment 2, with column G updated to include 2006 Actual data through December 31.

CA-SIR-8

Ref: HELCO Response to CA-IR-254 (Production O&M Project Spending by Unit).

Please provide the following updated information through December 31, 2006, when available.

- a. Updated Attachment 1, with column G updated to include 2006 Actual data through December 31.
- b. Updated Attachment 2, as follows:
 1. Substitute 2006 Actual data in column A through December 31, 2006;
 2. Update the current view of 2007 Budget data (if revised);
 3. Revise any explanations of the variances (A-B);
 4. Provide detailed explanation and itemization of the \$950,000 "Materials" estimate for the 2007 CT2 Gen Insp. Item, indicating amounts expected to be capitalized, if any; and
 5. Provide detailed explanation and itemization of the \$651,000 "Outside Services" estimate for the 2007 CT2 Gen Insp. Item, indicating amounts expected to be capitalized, if any.

CA-SIR-9

Ref: HELCO Response to CA-IR-342 (Reclassified Project Costs).

The Company's inclusion of the reclassified projects as part of normal ongoing non-labor expense appears to not be justified by the responses provided. Please explain the following.

- a. Given the responses to parts b and c that the only comparable historical expenditures are for SCADA upgrades

totaling \$96,516 in 2005, how can rate case inclusion of annual expenses of \$543,000 be viewed as reasonable and representative of ongoing cost levels?

- b. Given the responses to CA-IR-342, parts d and e that "future estimated expense charges have not been determined and are not currently budgeted," how can annual expenses of \$543,000 be viewed as reasonable and representative of ongoing cost levels?
- c. Provide complete copies of all reports, analyses, projections, calculations, workpapers and other documents associated with the responses to parts a and b of this information request.

CA-SIR-10

Ref: HELCO Response to CA-IR-336, page 3 (Production EE 201 Miscellaneous Materials).

Please provide the following updated information through December 31, 2006, when available.

- a. Actual per books EE 201 expenditures by RA through December 31, 2006, to replace the data table provided through October when data is available.
- b. Identify, describe and quantify any known abnormal, non-recurring or otherwise not representative transactions within your response to part a of this information request.

- c. Update the CA-IR-2 T-5, Attachment 2A, pages 9-21 spreadsheet of actual annual historical EE 201 spending, adding a column with calendar year 2006 actual data to the amounts already shown for the years 1999 through 2005, when data is available.

CA-SIR-11

Ref: HELCO Response to CA-IR-402, Attachment 1 (Production Department Straight time and Overtime Hours).

Please provide an update to Attachment 1, adding actual 2006 Overtime and Straight time hours and percentages by RA through December 31, 2006, when available.

CA-SIR-12

Ref: HELCO Response to CA-IR-409, Attachment 1 (Production Labor Hours to Capital).

Please provide an update to Attachment 1, adding actual 2006 total hours, capital hours and the resulting "Capital %" values by RA through December 31, 2006, when available.

CA-SIR-13

Ref: HELCO Response to CA-IR-405 (Overtime Hours by RA).

According to the response, "RA's HGC, HGH, HGK and HGP are on track for meeting their respective estimates." Please provide the following information.

- a. Actual total overtime hours for calendar 2006 for HGC, HGH, HGK and HGP, when available.

- b. Explanations of any remaining significant differences between projected overtime hours and actual calendar 2006 hours, given the response to part (a) of this information request.
- c. Actual total overtime hours for calendar 2006 for HGM, HGW and HGX, with comparisons to test year estimated hours for each RA.
- d. Explanations of any remaining significant differences between projected overtime hours and actual calendar 2006 hours, given the response to part (c) of this information request.

CA-SIR-14

Ref: HELCO Response to CA-IR-408 page 2 (Overtime).

According to the response, "In contrast to callout overtime, some overtime is forecast as workloads that are in excess of what can be accomplished by existing maintenance staff and this type of forecast overtime can be offset by additional staffing. In this case the amount of overtime forecast is reduced on a one-for-one basis." Please provide the following information.

- a. Please provide the estimated number of hours of overtime other than "callout overtime" that have been incurred in each of the prior years 2003 through 2006 by production department RA, if available.

- b. Given the response to part (a) of this information request, explain how many hours of overtime in the test year forecast for each RA have been "offset by additional staffing" and "reduced on a one-for-one basis" in relation to planned staffing additions in the production department.
- c. The response to CA-IR-404, part b, states that overtime was estimated using historical data that is rounded up to be "conservative in terms of the effect on net income." Please explain how this historical approach provides for any opportunity to capture overtime that should be "offset by additional staffing" and "reduced on a one-for-one basis" in relation to planned staffing additions in the production department.

CA-SIR-15

Ref: HELCO Response to CA-IR-408 page 2 (Overtime).

According to the response, "Adding staff, however, could indirectly result in some reduction to callout overtime as more emphasis is placed on predictive and preventative work rather than corrective, emergency work, but this is not easily quantifiable." Please provide the following information.

- a. Please provide the estimated number of hours of "callout overtime" that have been incurred in each of the prior years

2003 through 2006, by production department RA, if available.

- b. Given the response to part (a) of this information request, explain how many hours of "callout overtime" in the test year forecast for each RA have been reduced "indirectly" to account for planned staffing additions in the production department.
- c. The response to CA-IR-404, part b, states that overtime was estimated using historical data that is rounded up to be "conservative in terms of the effect on net income." Please explain how this historical approach provides for any opportunity to capture callout overtime that should be reduced indirectly by additional staffing due to planned staffing additions in the production department.

CA-SIR-16

Ref: HELCO Response to CA-IR-331 Attachment 1 (CEMS).

- a. Please provide an update of Attachment 1 through December 2006, when available.
- b. Provide a detailed explanation and copies of supporting documentation for the \$176,718 charged in February 2006, indicating all reasons why/if such activities are believed to normal and ongoing.

CA-SIR-17

Ref: HELCO Response to CA-IR-399 (GAM Spending).

According to the response, "There is no detailed report available that shows actual capital spending and expensed LABOR costs by GAM project and by RA for each listed unit, broken down annually for each year 2002 through 2005 and 2006 to-date (through August). GAM project costs were recorded to a series of project and workorders numbers and the identifying and gathering these to the detail level requested would be unduly burdensome." Please provide the following information.

- a. Please provide the most detailed breakdown of GAM actual capital and expensed costs incurred in each of the prior years 2003 through 2006, by production department RA, that is available.
- b. If no response is available to part (a) of this information request, explain how HELCO managed its GAM program activities and spending and provide complete copies of the data used for such management oversight in the absence of detailed expenditure reporting.

CA-SIR-18

Ref: HELCO Response to CA-IR-447 (T-13; Taxes).

Regarding the statement, "Please note that taxes, including the individual deferred tax assets and liabilities, are subject to change as the 2006 test year estimates change," provide the following.

- a. Actual per books Federal and State ADIT balances by 5-digit activity as of December 31, 2006, when available.
- b. Calculations supporting the "Revised forecast" unamortized ITC amount of \$1,083,580, as provided on page 2 of 13 at line 2.
- c. Updated unamortized ITC for the year 2006, as of December 31, 2006, when available.
- d. Explain why the "Various Deferred Tax Items" amounts at line 4 of page 2, from the response to CA-IR-280 (as detailed on page 3) are shown to have an "Income/(Expense)" impact, indicating where such expenses are believed to have been included in the test year forecast.
- e. Explain the basis for the "reclass" entries on page 6 and why they impact the "Adjustment to Exclusions" associated with supplemental pension and Executive Life PRB amounts, as carried forward to lines 5 and 6 on page 2.

CA-SIR-19

Ref: HELCO Response to CA-IR-439, part c (Schedule H).

Regarding the statement, "If Schedule H customers are required to migrate onto another service schedule, these customers can anticipate higher billed demand because Schedule H billing kW exclusions will be eliminated." Please provide the following information.

- a. Were the Schedule H "billing kW exclusions" initially implemented as a promotional or competitive response rate that was targeted to certain customer end-uses of energy?
- b. If the response to part (a) of this information request is affirmative, please identify and describe the rationale at that time for promoting certain end-uses and explain whether such rationale exists today.
- c. If the response to part (a) of this information request is negative, state each known reason for implementation of billing exclusions for certain types of loads.
- d. Explain whether any cost of service justification exists today to support billing exclusions for any identified HELCO end-uses of energy, including those contained within Schedule H.
- e. Provide complete copies of all workpapers, studies, reports, analyses and other documents associated with the responses to parts (a) through (d) of this information request.

CA-SIR-20

Ref: HELCO Responses to CA-IR-441, 442 and 443, part a (TOU Meter Cost Differentials).

In responding to part (a), no information was provided regarding cost differences associated with installing TOU meters versus non-TOU meters. In contrast, in responding to CA-IR-440 part a, regarding residential TOU meter costs, specific costing information

from the HECO rate case was referenced. Please provide the following information:

- a. State whether the cited \$4 and \$10 customer charge differentials for Schedules G, J and P are intended to be related to differentials in cost incurred to meter or bill customers on a TOU basis;
- b. If the response to part (a) of this information request is affirmative, provide copies of cost information relevant to the proposed additional customers charges for each rate schedule; and
- c. If the response to part (a) of this information request is negative, please provide all analyses, workpapers and other information relied upon to determine the customer charge differentials.

CA-SIR-21

Ref: HELCO Responses to CA-IR-221, 317 and 318 (Miscellaneous Revenues).

Regarding each of the following HECO-proposed miscellaneous service prices in Docket No. 04-0113, please state whether any known significant differences would cause HELCO's incurred costs to provide such service to be materially higher or lower than HECO's incurred costs:

- a. HECO's proposed Service Establishment Charge of \$20;
- b. HECO's proposed Reconnection Charge of \$25;

- c. HECO's proposed Returned Check (Payment) Charge of \$16; and
- d. HECO's proposed Field Collection Charge of \$20.
- e. Provide copies of calculations, reports, analyses, workpapers and other documents relied upon to respond to parts (a) through (d) of this information request.

CA-SIR-22

Ref: HELCO Response to CA-IR-29, part c (Residential Customers on Schedule G).

Regarding the reference to, "HELCO's response regarding 'Residential-type Customers on Schedule G' filed with the Commission on August 31, 2001 in Docket No. 99-0207," please provide the following information:

- a. A copy of the referenced information; and
- b. An update of the current status and estimated numbers of "Residential-type Customers on Schedule G."

CA-SIR-23

Ref: HELCO Response to CA-IR-469, page 3 (Revised Section 199 Deduction).

- a. Interest appears to be allocated based per Note 2 at 71.3% to "generation" using a revenue-based allocation. However, the test year cost of service allocations use relative rate base investment as the basis for allocating interest.
 - 1. Please explain this difference in methodology;

2. Describe why revenues are believed to be a rational basis for allocation of interest expense; and
 3. Provide citations to specific Internal Revenue Code or Treasury Regulations that were relied upon for the Company in support of its revenue-based allocation of interest.
- b. Provide the derivation of the State and Federal tax depreciation amounts attributed to generation in Note 4, indicating how such amounts can be reconciled to amounts shown at page 11 of the response to CA-IR-447.

CA-SIR-24

Ref: Response to CA-IR-522.

The response to CA-IR-522 explains how the commitment penalty factor is used for Thermal Unit Commitment. The equation Variable O&M (\$/MWh) = Variable O&M (\$/MWh) + Variable O&M (\$/hr) / L (MW) where L = Maximum Load (MW) is on page 2 of the response to CA-IR-522. It appears that the Variable O&M (\$/MWh) in the above equation is the same as the Variable O&M (\$/MWh) being determined by the equation. Please explain.

CA-SIR-25

Ref: Response to CA-IR-327.

The response to CA-IR-327 contains a list of thermal maintenance outages. Please provide the dates and lengths of maintenance and

overhaul outages for the Panaewa, Ouli, Punaluu, and Kapua diesel generators that were modeled in the test year.

Witness T-1 Mr. Warren Lee.

CA-SIR-26

Ref: HELCO Response to CA-IR-13 (Keahole ST-7).

Please provide the following update information regarding the current status of progress on ST-7:

- a. Referring to part (a) of the response to CA-IR-13, HELCO indicated that it expected to commence detailed engineering work in August 2006, with some site construction work beginning in late 2006 to support completion of ST-7 in 2009. What is the present status of Company planning, permitting and construction activities associated with ST-7?
- b. Please provide an itemized comparison of the current costs accumulated to date with the July 2006 amounts (i.e., the amounts supplied in response to part (b) of CA-IR-13) by work order/project number.
- c. In response to part (c) of CA-IR-13, the Company provided a Site Arrangement Drawing for Keahole, which is difficult to read. Please provide a full size, legible copy of this document.
- d. In a format comparable to HELCO-1503, please provide a comparison of the current cost estimate for ST-7 with both

the Company's original PUC application estimate and actual expenditures to date.

Witness T-4 Lisa Giang.

CA-SIR-27 **Ref: T-4, page 19, lines 14-25, T-4, page 20, lines 1-16, HELCO-402 and Response to CA-IR-33.**

Please provide actual fuel prices for industrial fuel oil and diesel fuel by month since June 1, 2006.

CA-SIR-28 **Ref: T-4, pages 44-45.**

HELCO T-4, page 44, line 25 through page 45, line 2, Hill 5 and Shipman are discussed as having a start-up cost associated with them.

- a. Please explain if start-up costs for HELCO-owned units other than Hill 5 and Shipman are included in the dispatch model or otherwise included in fuel costs.
- b. If so, please provide all related documentation and calculations used to derive their start-up costs.

CA-SIR-29 **Ref: HELCO-WP-404, page 100.**

HELCO-WP-404, page 100 contains historical forced outage rates and test year forced outage rates for HEP and PGV. This workpaper references a spreadsheet titled PGV EFOR 98-Feb1606.xls. Please provide and explain the

spreadsheet PGV EFOR 98-Feb1606.xls including any calculations and equations used.

CA-SIR-30

Ref: HELCO-WP-404, page 97 and Response to CA-IR-452, page 36.

HELCO-WP-404, page 97 lists heat rate constants and minimum and maximum output values. CA-IR-452, page 36 describes the minimum load capability for HEP.

- a. For HEP with 1 CT operating in simple cycle mode, HELCO-WP-404, page 97 lists the minimum as 6 MW. For the same operating mode, CA-IR-452, page 36 lists the minimum as 5 MW. Please identify which minimum is correct.
- b. For HEP with 2 CTs operating in combined cycle mode, HELCO-WP-404, page 97 lists the minimum as 12 MW. For the same operating mode, CA-IR-452, page 36 lists the minimum as 16 MW. Please identify which minimum is correct.

CA-SIR-31

Ref: HELCO-WP-405, page 1, HELCO-WP-404, page 8.

HELCO-WP-405, page 1, Reference for Line 1 states, "test year based on output from production simulation, HELCO-WP-408, page 8."

- a. Please explain how the propane start-up costs for Shipman were derived. Please include all supporting calculations and equations used.
- b. Please provide an electronic copy of HELCO-WP-404, page 8 that includes calculations and equations.

Witness T-5 Mr. Dan Giovanni.

CA-SIR-32 **Ref: T-5, page 89, lines 19–21.**

HELCO T-5, page 89, lines 19–21 states that PGV's fuel index is based on the February 2006 average price as reported by Platts Los Angeles LS Diesel Pricing Report from December 21, 2005 to January 20, 2006.

- a. Please provide Platts Los Angeles LS Diesel Pricing Report since December 21, 2005.
- b. Please provide the calculations used to determine PGV's fuel index for every month since January 2006.

Witness T-6 Mr. Jay Ignacio.

CA-SIR-33 **Ref: HELCO T-6 Response to CA-IR-447 (T&D Transformer Mounting Plates).**

The HELCO T-6 response to CA-IR-447 proposes, in part, to increase T&D expense by \$62,065 for additional costs associated with a program to replace transformer mounting plates implemented in mid-2006. Page 10 of the referenced response

provides a breakdown of the additional expense between labor and nonlabor. Please provide the following:

- a. Is the work on replacing the mounting plates for a particular transformer scheduled to coincide with other work on that transformer or is the replacement work scheduled irrespective of any other planned or needed work? Please explain.
- b. Referring to page 10, please provide additional workpaper support for the \$32,013 of nonlabor expense, including quantities and cost of materials used.
- c. Page 10 of the referenced response also sets forth \$30,052 of labor expense. The labor cost is based on 768 labor hours (4 hrs * 8 man crew * 24 banks) and a standard labor rate of \$34.829. Please provide the following:
 1. Did the Company actually replace the mounting plates for 24 transformer banks in 2006? Please explain.
 2. Does the Company expect to commit 768 labor hours per year to replacing the mounting plates during the period 2007-2011? Please explain.
 3. Did the Company actually hire additional employees to perform the mounting plate replacement work? Please explain.

Ref: HELCO T-6 Response to CA-IR-447 (T&D Transformer Mounting Plates).

Page 10 of the HELCO T-6 response to CA-IR-447 provides a breakdown of the additional expense for the transformer mounting plate replacement program between labor and nonlabor. It is unclear why the mounting plate replacement work requires HELCO to incur additional or incremental labor expense. Please provide the following:

- a. Referring to the HELCO T-6 response to CA-IR-1, pages 55, 71 and 94 of part b shows the Company's 2006 labor hour forecast for DH-Crew, DK-Crew and DW-Crew, respectively. Please confirm that these labor classes represent the 8 DCREW workers assigned to replace the mounting plates. If this cannot be confirmed, please explain.
- b. According to the references pages of the response to CA-IR-1, the distribution of productive labor hours between O&M and capital work is 34%/66% (DH-Crew), 30%/70% (DK-Crew) and 36%/64% (DW-Crew).
 1. Is the mounting plate replacement work expected to displace DCREW work on capital projects, as included in the Company's original filing? Please explain and identify the capital projects that will be reduced or terminated.

2. Is the mounting plate replacement work expected to displace DCREW work on other O&M related work, as included in the Company's original filing? Please explain and identify the O&M related projects that will be reduced or terminated.
3. Please provide copies of any documentation supporting the response to parts (b)(1) and (b)(2) above.

CA-SIR-35

Ref: HELCO T-6 Response to CA-IR-447 (T&D Safety Improvement Program).

The HELCO T-6 response to CA-IR-447 proposes, in part, to increase T&D employee training expense by \$404,798, which would be charged to Accounts 925 and 926. This response also indicates that the Company's original filing included \$558,829 of T&D training charged to these same accounts. Please provide the following:

- a. Please explain why employee non-safety training expense is charged to Account 926, other employee benefits.
- b. Please provide a breakdown of the \$558,829 of T&D training included in the Company's original filing between these two accounts.
- c. Please provide a breakdown of the T&D training labor hours and dollars by labor class, comprising the \$558,829 included

in the Company's original filing, in a format comparable to page 11 of the HELCO T-6 response to CA-IR-447.

CA-SIR-36

Ref: HELCO T-6 Response to CA-IR-447 (T&D Safety Improvement Program).

The HELCO T-6 response to CA-IR-447 proposes, in part, to increase T&D employee training expense by \$404,798. According to page 11 of the HELCO T-6 response to CA-IR-447, the additional training expense largely associated with employee labor (i.e., 4,967 hours) to prepare and attend the various safety programs, plus nonproductive and oncost loadings. Please provide the following:

- a. When did the Company first become aware of the need to recognize an additional \$404,798 adjustment for T&D employee training costs? Please explain.
- b. Are the additional hours committed to preparing and attending the new safety programs expected to displace capital project work, as included in the Company's original filing? Please explain and identify the capital projects that will be reduced or terminated.
- c. Are the additional hours committed to preparing and attending the new safety programs expected to displace O&M related work, as included in the Company's original

filing? Please explain and identify the O&M related projects that will be reduced or terminated.

- d. Please provide copies of any documentation supporting the response to parts (b) and (c) above.

CA-SIR-37

Ref: HELCO T-6 Response to CA-IR-447 (T&D Safety Improvement Program).

The HELCO T-6 response to CA-IR-447 proposes, in part, to increase T&D employee training expense by \$404,798. This response also indicates that the Company's original filing included \$558,829 of T&D training. Please provide the following:

- a. According to the above information, the Company is now proposing to include, in the test year forecast, \$963,627 for T&D training.
1. Please confirm that this summation accurately represents HELCO's recommendation.
 2. If this cannot be confirmed, please explain and provide the T&D training amount requested by the Company.
- b. For calendar years 2001 through 2005, please provide the comparable actual amount of T&D training expense incurred in each year, separately showing safety and non-safety training expense.

- c. For calendar year 2006, please provide the comparable actual amount of T&D training expense, separately showing safety and non-safety training expense.
- d. Assuming the \$963,627 T&D training costs, as revised by the response to part (a) above, the average training cost for each of the 119 T&D employees (i.e., 123 forecast positions less 4 troublemen inspectors) is \$8,098. Please explain how HELCO determined that such a level of training for T&D employees was reasonable and necessary, providing a copy of all supporting documentation.

CA-SIR-38

Ref: HELCO T-6 Response to CA-IR-447 (T&D Safety Improvement Program).

The HELCO T-6 response to CA-IR-447 proposes, in part, to increase T&D employee training expense by \$404,798. This response also indicates that the Company's original filing included \$558,829 of T&D training. Please provide the following:

- a. Assuming that the Commission allowed recovery of \$963,627 of T&D training costs, what assurance can HELCO provide to the Commission and the Company's ratepayers that \$963,627 of T&D training costs will be spent each year the rates resulting from this case are in effect? Please explain.

- b. Does HELCO anticipate that the expanded T&D training program will result in reduced: accidents, employee injury, lost work time, damage to Company and third party property, as well as liability to employees or third parties? Please explain.
- c. Referring to part (b) above, does the Company anticipate that these reductions will reasonably result in cost savings or the avoidance of costs incurred in the past? Please explain.
 - 1. If so, please provide the Company's best estimate of such cost savings or anticipated reductions.
 - 2. If so, please explain whether and how such reductions were reflected in the Company's 2006 test year rate case forecast.

CA-SIR-39

Ref: HELCO T-6 Response to CA-IR-447, HELCO T-11, page 15, & HELCO-909, page1 (T&D Safety Improvement Program).

The HELCO T-6 response to CA-IR-447 proposes, in part, to increase T&D employee training expense by \$404,798. HELCO T-11, page 15, states: "The 2006 test year estimate for safety program costs is \$871,000 (see HELCO-909, page 1) which is 74% higher than the average of the last three recorded yearly amounts for 2003 through 2005 (\$501,000) and 57% higher than

the 2005 recorded charge of \$555,000." Please provide the following:

- a. According to the above information, the Company is now proposing to include, in the test year forecast, \$1,275,798 (\$871,000 plus \$404,798) for training expense.
 1. Please confirm that this summation accurately represents HELCO's recommendation.
 2. If this cannot be confirmed, please explain and provide the total amount of training expense requested by the Company.
- b. Assuming the \$1,275,798 of training costs, as revised by the response to part (a) above, HELCO's proposed training expense would be 130% higher than the 2005 amount (\$555,000) and 155% higher than the 2003-2005 average (\$501,000).
 1. Please confirm these percentage changes.
 2. If these percentage changes cannot be confirmed, please explain and provide a copy of any supporting documentation.
- c. Were HELCO's training efforts prior to 2006, particularly for T&D employees, ineffective, misguided or off-target? Please explain.

- d. Has HELCO abandoned the training programs offered prior to 2006, particularly for T&D employees, and implemented new training programs that cover subjects not addressed by the pre-2006 training programs? Please explain.

CA-SIR-40

Ref: HELCO T-6 Response to CA-IR-447 (T&D Safety Improvement Program).

Confidential Attachment 4 (pages 16-19) to the HELCO T-6 response to CA-IR-447 lists various safety topics and proposed course dates for the Distribution Department Safety Improvement Plan. Please provide the following:

- a. Does this listing accurately represent the new safety program offerings that comprise HELCO's new T&D training adjustment, which increases test year expense by \$404,798? If not, please explain and identify each program added to or deleted from such list.
- b. Are the planned dates for holding sessions for each safety topic accurate? If not, please provide the actual or revised proposed month/year for each safety topic.
- c. Is the proposed frequency for each safety topic still accurate? If not, please provide the actual or revised proposed frequency for each safety topic.
- d. In 2006, the proposed schedule identifies twelve (12) safety topics to be addressed in 2006, with seven (7) to be

conducted every two years and five (5) to be conducted one time (except for new employees). Please provide the following:

1. Does HELCO consider the frequency of the safety topics offered in 2006 to be representative of future safety sessions? Please explain.
2. Does 2006 represent front loaded training activity, due to the renewed focus on employee safety training, unlikely to reoccur on an annual basis? Please explain and provide a copy of any supporting documentation.

Witness T-9 Mr. Paul Fujioka.

CA-SIR-41

Ref: HELCO T-9 Response to CA-IR-448 (Mincom Corrections).

Referring to page 3 of the response to CA-IR-448, please provide the following:

- a. Was there any change in scope or extent of services provided by Mincom during 2006 as compared to 2005? Please explain.
- b. Please provide a copy of the Mincom monthly invoices supporting the \$167,231 of 2006 processing fees set forth on page 3.

Witness T-11 Ms. Rhea Nakaya.

CA-SIR-42

Ref: T-11, page 2, & HELCO-1102 (Employee Count).

Please update HELCO-1102 with actual month-end employee counts for November 2006.

CA-SIR-43

Ref: T-11, page 2, & HELCO-1102 (Employee Count).

Please update HELCO-1102 with actual month-end employee counts for December 2006, as the data becomes available.

Witness T-12 Ms. Deorna Ikeda.

CA-SIR-44

Ref: HELCO-WP-1201 & Response to CA-IR-163 (Keahole Depreciable Plant).

In response to CA-IR-163, the Company provided depreciable plant investment for Keahole CT-4 and CT-5 at December 31, 2005, separately showing HELCO's investment in common facilities.

Please provide the following:

- a. Please provide comparable information regarding HELCO's plant investment in Keahole CT-4 and CT-5 at test year end, consistent with the proposed update approach recommended by HELCO T-14 (e.g., October 2006 actual plus November-December 2006 forecast additions).
- b. Referring to part (a) above, please provide the requested information in both hard copy and spreadsheet file format, comparable to HELCO's response to CA-IR-163.

Witness T-14 Mr. Clyde Nagata.

CA-SIR-45

Ref: HELCO Responses to CA-IR-367 & CA-IR-427 (Keahole Plant Additions).

CA-IR-367 sought a descriptive listing of each project set forth on HELCO-WP-1401 related to the Keahole power plant and any updates or revisions to the project completion date or completed cost estimate. The response to CA-IR-427 appears to include additional Keahole related projects. Please provide the following:

- a. Please provide a descriptive listing of each new Keahole project appearing in the response to CA-IR-427.
- b. Referring to the response to part (a) above, please explain whether each project is anticipated to be closed and included in plant in service during 2006.

CA-SIR-46

Ref: HELCO Responses to CA-IR-367 & CA-IR-427 (Keahole Plant Additions).

The referenced responses provide conflicting information. Please provide the following clarifications:

- a. H0001373 Keahole SS Base Mobile. The response to CA-IR-367 indicates that this project was cancelled and later resurrected as H0001454. However, CA-IR-427 still recognizes a \$61,194 2006 plant addition for H0001373, while H0001454 appears a new 2006 project in the amount of \$58,702.

1. Are both of these amounts included in HELCO's proposed 2006 plant addition update? Please explain.
 2. Should H0001373 be eliminated from the 2006 additions? Please explain.
- b. H0001386 Keahole CT Sound Enclosure. The response to CA-IR-367 indicates that this project was delayed and is scheduled for completion in 1Q2007. However, CA-IR-427 still recognizes a \$33,543 2006 plant addition. Should H0001386 be eliminated from the 2006 additions? Please explain.
- c. H3126000 Keahole CT4 Combustion Turbine. The response to CA-IR-367 indicates that this project will be completed in conjunction with H001386, which was delayed to 1Q2007. However, CA-IR-427 still shows \$17,500 as a 2006 plant addition.
1. Was this project delayed to 1Q2007? Please explain.
 2. Should H3126000 be eliminated from the 2006 additions? Please explain.
- d. H3164000 Keahole CT5 Combustion Turbine. The response to CA-IR-367 indicates that this project will be completed in conjunction with H001386, which was delayed

to 1Q2007. However, CA-IR-427 still shows \$17,500 as a 2006 plant addition.

1. Was this project delayed to 1Q2007? Please explain.
2. Should H3164000 be eliminated from the 2006 additions? Please explain.

e. DHEINZ02 Keahole CT-2/4/5 Safety Barriers. The response to CA-IR-367 indicates that this project will be completed in 2007. However, CA-IR-427 still shows \$100,000 as a 2006 plant addition.

1. Was this project delayed to 2007? Please explain.
2. Should DHEINZ02 be eliminated from the 2006 additions? Please explain.

f. DHEINZ03 Keahole Acoustic System. The response to CA-IR-367 indicates that this project was cancelled. However, CA-IR-427 still shows \$30,000 as a 2006 plant addition.

1. Was this project cancelled? Please explain.
2. Should DHEINZ03 be eliminated from the 2006 additions? Please explain.

g. DHEINZ04 Keahole CT2 Black Start. The response to CA-IR-367 indicates that this project will be completed in 2007. However, CA-IR-427 still shows \$250,000 as a 2006 plant addition.

1. Was this project delayed to 2007? Please explain.
 2. Should DHEINZ04 be eliminated from the 2006 additions? Please explain.
- h. DHEINZ07 Keahole CT4/5 CO2 System Upgrade. The response to CA-IR-367 indicates that this project was cancelled. However, CA-IR-427 still shows \$30,000 as a 2006 plant addition.
1. Was this project cancelled? Please explain.
 2. Should DHEINZ07 be eliminated from the 2006 additions? Please explain.

CA-SIR-47

Ref: HELCO-WP-1401 & Responses to CA-IR-427 & CA-IR-426 (Plant Additions).

In response to CA-IR-427, HELCO updated 2006 plant additions to reflect actual amounts through October 2006 with revised forecast amounts for November and December 2006. In response to CA-IR-426, the Company indicated, in part, that it plans to adjust the 2006 test year CIAC forecast at the end of 2006 with actual year end information. Please provide the following:

- a. Please clarify which of the following rate base components the Company plans to update to reflect actual 2006 activity or account balances at year end 2006:
 1. Plant additions;
 2. Plant retirements;

3. Depreciation reserve;
 4. Deferred income tax reserve;
 5. Contributions in aid of construction; and
 6. Customer advances.
- b. Assuming the response to part (a) above indicates that plant additions will reflect actual activity through October 2006 plus forecast additions for November-December 2006 but plant retirements will not be similarly quantified (i.e., instead leaving retirements unadjusted from the Company's original filing), please explain how using different approaches to value plant additions and retirements will reasonably balance these related components of rate base.
- c. Assuming the response to part (a) above indicates that plant additions will reflect actual activity through October 2006 plus forecast additions for November-December 2006 but actual CIAC and Customer Advances amounts at December 31, 2006, will be recognized, please explain how using different approaches to value plant additions and related customer supplied funds will reasonably balance the components of rate base – particularly, since actual CIAC and Customer Advance collections in November-December 2006 will be disconnected from forecasted plant addition activity in those months.

Ref: HELCO-WP-1401 & Response to CA-IR-431 (Plant Additions).

Part (b) of the referenced response indicates that the estimated cash contribution of \$564,962 for Project H0001360, Kuakini Distr & Svcs, has not yet been paid by the County of Hawaii because the project has not been completed. Please provide the following:

- a. Please confirm that the Company has forecasted the completion of this project in 2006 and included the cost of Project H0001360 in year-end plant in service for purposes of calculating rate base. If this cannot be confirmed, please explain.
- b. Please confirm that the Company has not included the cash contribution related to Project H0001360 for purposes of calculating rate base. If this cannot be confirmed, please explain.
- c. Referring to parts (a) and (b) above, please confirm that the Company has proposed that the plant investment not funded by the cash contribution should be recognized for purposes of calculating rate base on which existing ratepayers would pay a return. If this cannot be confirmed, please explain.

CA-SIR-49

Ref: HELCO-WP-1401, Responses to CA-IR-427 & CA-IR-432 (Plant Additions).

The response to CA-IR-427 indicates that the 2006 plant addition for Project H0001368, Kaloko Unit #2 substation transform, is \$816,635. The response to CA-IR-432 indicates that the developer advance was for 60% of the cost of Project H0001368, based on the ratio of estimated load demand of the development to the total substation transformer capacity. Please provide the following:

- a. Will the Kaloko Heights subdivision be completed and fully built out by December 31, 2006? Please explain.
- b. If the full build out of the Kaloko Heights subdivision results in load demand in excess of 6MVA, will the developer provide an additional contribution? Please explain.
- c. In the absence of the Kaloko Heights subdivision, would it have been necessary for HELCO to undertake Project H0001368? Please explain.

CA-SIR-50

Ref: HELCO-WP-1401 & Response to CA-IR-475 (Plant Additions).

In response to part (b) of CA-IR-475, HELCO objected to providing copies of confidential Board of Director's minutes and internal management meeting minutes, even pursuant to a protective order. Please provide the following:

- a. Please provide the legal basis for the Company's stated objection.
- b. Has the Commission previously concurred that Hawaii utilities are not required to produce copies of Board of Director's minutes and internal management meeting minutes, when such documents specifically relate to costs or transactions included in the ratemaking process?
 1. If so, please explain and provide a specific citation to such Commission findings.
 2. If no, please provide copies of the documentation requested in CA-IR-475.

CA-SIR-51

Ref: HELCO T-14 Response to CA-IR-448 (Corrections to Plant Additions, CIAC & Advances).

Please provide the following:

- a. Does CA-IR-448, Attachment 1, of the response by HELCO T-14 include all of the known corrections and revisions to plant additions, customer advances and contributions in aid of construction? Please explain.
- b. Referring to the response to part (a) above, please identify each additional correction and/or revision to plant additions, customer advances and contributions in aid of construction that is not listed on Attachment 1 of the response to CA-IR-448.

- c. Referring to Attachment 1 of the response to CA-IR-448, it is unclear whether each identified correction increases or decreases rate base (e.g., increasing an amount typically deducted from rate base results in a reduction to rate base). Please indicate whether each identified correction has the effect of increasing or decreasing rate base.

Witness T-15, Mr. Kenneth Fong.

CA-SIR-52

Ref: HELCO-1501 & Response to CA-IR-290 (Keahole Common Facilities).

The response to part (c) of CA-IR-290 indicated that the review of the adequacy of current water treatment system capacity had begun and was expected to continue for the next six months. Please provide the following:

- a. Please describe the current status of this review.
- b. Has HELCO or Black & Veatch made any determination as to whether the existing water treatment system will, in fact, be adequate to support ST-7 (including SCR)? Please explain.

CA-SIR-53

Ref: HELCO-1501 & Response to CA-IR-500 (Keahole Siting).

In response to part (d) of CA-IR-500, HELCO indicated that it did not pursue reclassification and rezoning of the Keahole site as part of its original proposal to install CT-4/CT-5 at Keahole, because the

time estimated to complete the rezoning was thought to be too lengthy to have the generating capacity installed when it was needed. Please provide the following:

- a. At the time of its original proposal to install CT-4/CT-5 at Keahole, how long did HELCO believe that it would take to complete the rezoning process? Please explain.
- b. How long did it actually take HELCO to complete the rezoning process? Please explain.

CA-SIR-54

Ref: HELCO-1501, page 67, revised HELCO-1503, & Responses to CA-IR-506 & CA-IR-447 (Keahole Landscaping).

The response to CA-IR-506 indicates that no specific amount was identified for landscaping in the original CT-4/CT-5 project cost, but that \$210,000 was spent in 1998 for planting pine trees, coconut palms, wiliwili trees, oleander and areca palms. In response to part (d) of CA-IR-506, the Company indicated that HELCO installed additional landscaping at Keahole pursuant to a cited Settlement Agreement. Revised HELCO-1503 (see page 14 of HELCO T-15 response to CA-IR-447), indicates that \$1,116,425 was spent on landscaping through October 31, 2006. Please provide the following:

- a. In negotiating the settlement agreement, did HELCO discuss or attempt to negotiate a fixed amount or cap on the cost of any landscaping to be installed? Please explain.

1. If the response to part (a) above indicates that the Company did not attempt to negotiate a landscaping cost cap, please explain why HELCO did not attempt to limit the level of landscaping expenditures.
 2. If the response to part (a) above indicates that the Company did attempt to negotiate a landscaping cost cap, please explain how such negotiations progressed as well as the dollar amounts proposed by HELCO and agreed to by the parties.
- b. Has HELCO committed to funding any additional landscaping at or near Keahole as part of the construction and installation of ST-7? Please explain and provide the estimated cost of any additional landscaping.
 - c. Please provide a monthly breakdown of the \$1,116,425 of landscaping expenditures, if available.

CA-SIR-55

Ref: Revised HELCO-1503 & Responses to CA-IR-501 & CA-IR-447 (Keahole Landscaping).

HELCO's response to part (f) of CA-IR-501 discusses various measures taken by the Company to address noise mitigation. Revised HELCO-1503 (see page 14 of HELCO T-15 response to CA-IR-447), indicates that \$10,045,259 was spent on noise abatement through 10/31/06. Please provide the following:

- a. Please provide a monthly breakdown of the \$10,045,259 of noise abatement expenditures, if available.
- b. Referring to the actions taken by HELCO to mitigate noise impacts, please provide a breakdown of the \$10,045,259 (or HELCO's best cost estimate) between the following categories, if available:
 1. Noise mitigation costs directly attributable to CT-2, CT-4 or CT-5 (e.g., replacing CT-2 lube oil cooler; changing CT-4/CT-5 lube oil cooler fans; retrofitting CT-4/CT-5 exhaust plenum outlets, etc.). [Note: this request only seeks aggregate costs for this category, not by item.]
 2. Noise mitigation costs incurred at the Keahole site, but not specifically related to specific generating units.
 3. Noise mitigation costs that are directly related to ST-7, even though ST-7 has not yet been completed.
- c. Please provide HELCO's best estimate of the additional Keahole noise mitigation costs that will be incurred as part of the construction and installation of ST-7.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing **DIVISION OF CONSUMER ADVOCACY'S SUBMISSION OF INFORMATION REQUESTS TO HELCO - ACT 162 SUPPLEMENTAL TESTIMONIES AND CONSULTANT REPORT** was duly served upon the following parties, by personal service, hand delivery, and/or U.S. mail, postage prepaid, and properly addressed pursuant to HAR § 6-61-21(d).

WARREN H. W. LEE
PRESIDENT
HAWAII ELECTRIC LIGHT COMPANY, INC.
P. O. Box 1027
Hilo, Hawaii 96721-1027

1 copy
by hand delivery

DEAN K. MATSUURA
DIRECTOR REGULATORY AFFAIRS
HAWAIIAN ELECTRIC COMPANY, INC.
P. O. Box 2750
Honolulu, Hawaii 96840-0001

1 copy
by hand delivery

THOMAS W. WILLIAMS, JR.
PETER Y. KIKUTA
GOODSILL, ANDERSON, QUINN & STIFEL
1800 Alii Place
1099 Alakea Street
Honolulu, Hawaii 96813

1 copy
by hand delivery

KEAHOLE DEFENSE COALITION, INC.
C/O KEIICHI IKEDA
73-1489 IHUMOE STREET
KAILUA-KONA, HI 96740-7301

1 copy
by U. S. mail

DATED: Honolulu, Hawaii, January 10, 2007.

Desiree Lopez